

very front of modern civilization, whose communities, far less offending and more dangerous than Greenvale, have been chastised with much greater severity, and where, not only have been laid waste, but human life has been recklessly sacrificed, and the blood of the innocent made profusely to mingle with that of the guilty.

Passing from foreign to domestic affairs, your attention is naturally directed to the financial condition of the country, always a subject of general interest. For complete and exact information regarding the finances, and the various branches of the public service connected therewith, I refer you to the report of the Secretary of the Treasury, from which it will appear that the amount of revenue during the last fiscal year from all sources, was seventy-three millions five hundred and forty-nine thousand seven hundred and five dollars; and that the public expenditures for the same period, exclusive of payments on account of the public debt, amounted to fifty-one million eighteen thousand two hundred and forty-nine dollars. During the same period, the payments made in redemption of the public debt, including interest and premium, amounted to twenty-four million three hundred and thirty-six thousand three hundred and eighty dollars.

To the sum total of the receipts of that year is to be added a balance remaining in the Treasury at the commencement thereof, amounting to twenty-one millions nine hundred and forty-two thousand eight hundred and nine-tenths dollars; and at the close of the same year, a corresponding balance amounting to twenty million one hundred and thirty seven thousand nine hundred and sixty-seven dollars of receipts above expenditures, also remained in the Treasury. Although, in the opinion of the Secretary of the Treasury, the receipts of the current fiscal year are not likely to equal in amount those of the last, yet they will undoubtedly exceed the amount of expenditures by at least fifteen millions of dollars. I shall, therefore, continue to direct that the surplus revenue be applied, so far as it can be judiciously and economically done, to the reduction of the public debt, the amount of which, at the commencement of the last fiscal year, was sixty-seven millions three hundred and forty thousand six hundred and twenty-eight dollars; of which there had been paid on the twentieth day of November, 1854, the sum of twenty-two million three hundred and sixty five thousand one hundred and seventy-two dollars; leaving a balance of outstanding public debt of only forty-four million nine hundred and seventy-five thousand four hundred and fifty-six dollars, redeemable at different periods within fourteen years. There are also remnants of other government stocks, most of which are already due, and on which the interest has ceased, but which have not yet been presented for payment, amounting to two hundred and thirty-three thousand one hundred and seventy-nine dollars.

This statement exhibits the fact, that the annual income of the government greatly exceeds the amount of its public debt, which latter remains unpaid, only because the time of payment has not yet matured, and it cannot be discharged at once, except at the option of public creditors, who prefer to retain the securities of the United States; and the other fact, not less striking that the annual revenue from all sources exceeds, by many millions of dollars, the amount needed for a prudent and economical administration of the government.

The estimates presented to Congress from the different Executive Departments, at the last session, amounted to thirty-eight million four hundred and six thousand five hundred and eighty-one dollars; and the appropriations made, to the sum of fifty-eight million one hundred and sixteen thousand nine hundred and fifty-seven dollars. Of this excess of appropriations over estimates, however, more than twenty millions was applicable to extraordinary objects, having no reference to the usual annual expenditures. Among these objects, was embraced ten millions to meet the third article of the treaty between the United States and Mexico; so that, in fact, for objects of ordinary expenditures, the appropriations were limited to considerably less than forty millions of dollars. I therefore, renew my recommendation for a reduction of the duties on imports. The report of the Secretary of the Treasury presents a series of tables, showing the operation of the revenue system for several successive years, and as the general principle of reduction of duties with a view to revenue and not protection, may now be regarded as the settled policy of the country, I trust that little difficulty will be encountered in settling the details of a measure to that effect.

In connexion with this subject, I recommend a change in the laws, which recent experience has shown to be essential to the protection of the government. There is no express provision of law, requiring the records and papers of a public character, of the several officers of the government, to be left in their offices for the use of their successors, nor any provision declaring it felony on their part to make false entries in the books, or return false accounts. In the absence of such express provision by law, the outgoing officers, in many instances, have claimed and received the right to take into their own possession, important books and papers, on the ground that these were their private property; and have placed them beyond the reach of the government. Conduct of this character, brought in several instances to the notice of the present Secretary of the Treasury, naturally awakened his suspicion, and resulted in the disclosure that at four ports, namely, Oswego, Toledo, Sandusky, and Milwaukee, the entries had, by false entries, been defrauded, within the four years next preceding March, 1853, of the sum of one hundred and ninety-eight thousand dollars,

the great difficulty with which the detection of these frauds has been attended, in consequence of the abstraction of books and papers by the outgoing officers, and the facility with which similar frauds in the public service may be perpetrated, render the necessity of new legal enactments, in the respects above referred to, quite obvious. For other material modifications of the revenue laws which seem to me desirable, I refer you to the report of the Secretary of the Treasury. That report, and the tables which accompany it, furnish ample proofs of the solid foundation on which the financial security of the country rests, and of the salutary influence of the independent treasury system upon commerce and all monetary operations.

The experience of the last year furnishes additional reasons, I regret to say, of a painful character, for the recommendation heretofore made to provide for increasing the military force employed in the territory inhabited by the Indians. The settlers on the frontier have suffered much from the incursions of predatory bands, and large parties of emigrants to our Pacific possessions have been massacred with impunity. The recurrence of such scenes can only be prevented by teaching these wild tribes the power of, and the responsibility to the United States. From the garrisons of our frontier posts, it is only possible to detach troops in small bodies; and though these have on all occasions displayed a gallantry and a stern devotion to duty, which on a larger field would have commanded universal admiration, they have usually suffered severely in these conflicts with superior numbers, and have sometimes been entirely sacrificed. All

the experience of the army, I have presented these suggestions with regard to certain measures of reform, as the complement of a system, which would produce the happiest results from a given expenditure, and which I hope may attract the early attention, and be deemed worthy of the approbation of Congress.

The recommendation of the Secretary of the Navy, having reference to more ample provisions for the discipline and general improvement in the character of seamen, and for the re-organization and gradual increase of the navy, I deem eminently worthy of your favorable consideration.—The principles, which have controlled our policy in relation to the permanent military force, by sea and land, are sound, consistent with the theory of our system and should by no means be disregarded; But limiting the force to the objects particularly set forth in the preceding part of this message, we should not overlook the present magnitude and prospective extension of our commercial marine, nor fail to give weight to the fact, that, besides the two thousand miles of Atlantic seaboard, we have a new pacific coast, stretching from Mexico to the British possessions in the north, teeming with wealth and enterprise, and demanding the constant presence of ships-of-war.

The augmentation of the navy has not kept pace with the duties properly and profitably assigned to it in time of peace, and it is inadequate for the large field of its operations, not merely in the present but still more in the progressively increasing exigencies of the wealth and commerce of the United States. I cordially approve of the proposed apprentice system for our national vessels, recommended by the Secretary of the Navy.

The occurrence, during the last few months, of marine disasters of the most tragic nature, involving great loss of human life, has produced intense emotions of sympathy and sorrow throughout the country. It may be well doubted whether all these calamitous events are wholly attributable to the necessary and inevitable dangers of the sea. The merchants, mariners, and ship-builders of the United States, are, it is true, unsurpassed in far-reaching enterprise, skill, intelligence, and courage, by any others in the world. But with the increasing amount of our commercial tonnage in the aggregate, and the larger size and improved equipment of the ships now constructed, a deficiency in the supply of reliable seamen begins to be very seriously felt. The inconvenience may, perhaps, be met, by due regulation for the introduction, into our merchant ships, of indentured apprentices; which, while it would afford useful and eligible occupation to numerous young men, would have a tendency to raise the character of seamen as a class. And it is deserving of serious reflection, whether it may not be desirable to revise the existing laws for the maintenance of discipline at sea, upon which the security of life and property on the ocean must to so great an extent depend. Although much attention has already been given by Congress to the promotion of naval education, to the ultimate effect that a particular line of policy is likely to produce upon all his possessions and interests. The government, which is trustee, in this matter, for the people of the States, is bound to take the same wise and comprehensive view.

Prior to and during the last session of Congress, upwards of thirty millions of acres of land were withdrawn from public sale with a view to application for grants of this character pending before Congress. A careful review of the whole subject led me to direct that all such orders be abrogated, and the lands restored to market; and instructions were immediately given to that effect. The applications of the last session contemplated the construction of more than five thousand miles of road, and grants to the amount of nearly twenty millions of acres of the public domain. When the application of the part of Congress to be unquestionable, & it quite clear that the proposed grants would be productive of good, and not evil? The different projects are confined, for the present, to the states of the Union, and on Territory. The reasons assigned for the grants, show that it is proposed to put the works speedily in process of construction. When we reflect, that since the commencement of the construction of railways in the United States, stimulated by State legislation and pressed forward by the amazing energy of individual enterprise, only seventeen thousand miles have been completed in all the States in a quarter of a century—when we see the stupendous number of works commenced and prosecuted upon which were deemed to be sound principles and calculations—when we contemplate the enormous absorption of capital withdrawn from the ordinary channels of business, the extravagant rates of interest at this moment paid to continue operations, the bankruptcies not merely to come, but in character, and the inevitable effect upon finance generally—it can be doubted that the tendency is to run to excess in this matter? Is it wise to augment this excess by encouraging hopes of sudden wealth to draw from malignant schemes dependent upon the action of Congress? Does the spirit which has produced such results, need to be stimulated or checked? Is it not the better rule to leave all these works to private enterprise, regulated, and when expedient, aided, by the organization of States? If constructed by private enterprise, the stimulus and the check go together, and furnish a salutary restraint against speculative schemes and extravagance. But it is manifest that, with the most effective guards, there is danger of going too far, and too far.

We may well pause before a proposition contemplating a simultaneous movement for the construction of railroads which, in extent, will equal, if not exceed, the entire length of such work, now completed, in the United States, and which cannot cost, with equipments, less than one hundred and fifty million dollars. The dangers likely to result from combinations of interests of this character, can hardly be overestimated. But independently of these considerations, where is the accurate knowledge, the comprehensive intelligence which shall discriminate between the relative claims of these twenty-eight proposed roads, in eleven States and one Territory? Where will you begin and where end? If to enable these companies to execute their proposed works, it is necessary that the aid of the general government be mainly given, the policy will present a problem so comprehensive in its bearings, and so important to our political and social well-being, as to call in question, the severest analysis. Entertaining these views, I am willing to defer to the experience and action of the last session of Congress, as furnishing assurance that the subject will not fail to elicit a careful examination and rigid scrutiny.

The gross receipts during the same period amounted to six millions nine hundred and fifty-five thousand five hundred and eighty six dollars; exhibiting an expenditure over income of one million seven hundred and fifty-five thousand three hundred and twenty one dollars, and a diminution of deficiency, as compared with the last year, of three hundred and sixty-

one thousand seven hundred and fifty-six dollars.

The increase of the revenue of the department, for the year ending June 30, 1854, over the preceding year, was nine hundred and seventy thousand three hundred and ninety nine dollars. No proportionate increase, however, can be anticipated for the current year, in consequence of the act of Congress of June 24, 1854, providing for increased compensation to all postmasters. From these statements, it is apparent that the Post Office Department, instead of defraying its expenses, according to the design at the time of its creation, is now, and under existing laws must continue to be, to no small extent, a charge upon the general treasury.

The cost of mail transportation, during the year ending June 30, 1854, exceeds the cost of the preceding year by four hundred and ninety-five thousand and seventy-four dollars. I again call your attention to the subject of mail transportation by ocean steamers, and commend the suggestions of the Postmaster General to your early attention.

During the last fiscal year eleven million seventy thousand nine hundred and thirty-five acres of the public lands have been surveyed, and eight millions one hundred and ninety thousand and seven acres brought into market. The number of acres sold is seven million thirty-five thousand seven hundred and thirty-five, and the amount received therefrom nine million two hundred and eighty-five thousand five hundred and thirty-three dollars. The aggregate amount of land sold under military scrip and land warrants, selected as swamp lands by States, and by locating under grants for roads, is upwards of twenty-three millions of acres. The increase of lands sold, over the previous year, is about six millions of acres; and the sales during the two first quarters of the current year present the extraordinary result of five and a half millions sold, exceeding by nearly four millions of acres the sales of the corresponding quarters of the last year, thus increasing to an extent unparalleled during any like period in our past history the amount of revenue provided from this source for the Federal Treasury.

The commendable policy of the government, in relation to setting apart a public domain for those who have served their country in time of war, is illustrated by the fact, that since 1790 no less than thirty millions of acres have been applied to this object.

The suggestions which I submitted in my annual address last year, in reference to grants of land in aid of the construction of railways, were full and explicit, then the magnitude of the subject and subsequent developments would seem to render prayer and desire. On the assumption of the principle then accepted with regard to the limitation of the power of Congress, I entertain no doubt; but in its application it is not enough that the value of lands in a particular locality may be enhanced; that, in fact, a larger amount of money may probably be received; in a given time, for all alternate sections than could have been realized for all the sections, without the impulse and influence of the proposed improvements. A prudent proprietor looks beyond finite sections of his domain, beyond present results, to the ultimate effect which a particular line of policy is likely to produce upon all his possessions and interests. The government, which is trustee, in this matter, for the people of the States, is bound to take the same wise and comprehensive view.

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